



# Occam Grow



## Whitepaper

# How to look for the significant signs of life(style)!

The main purpose of marketing, particularly direct marketing, is to make the right offer to the right person at the right time. Tailoring the offer for your target audience makes it more attractive and will make recipients more receptive, but only if your offer hits them at the right time. If the timing is off, it simply won't be relevant.

A significant event will trigger the need for a number of services. For example, the arrival of a new born baby into a household creates a demand for many new items, from nappies and bedding to sleeping pills and extended credit. And of course, we can't help but to tell everyone, posting pictures on flicker, tweeting our excitement and facebooking every movement.

Likewise, moving house creates needs of a different kind, such as knowledge of local services and restaurants, DIY supplies and, of course, extended credit.

While traditional direct marketing campaigns match customers to offers ('I have something to sell, who should I sell it to?'), the purpose of lifestyle marketing is to turn this premise on its head and use what the customer tells us to drive relevant and, most importantly, timely offers. The key is to use the information the customer provides us, online and offline to that a lifestyle change or event has taken place

and then matches the offer to the event and deliver a communication to the customer.

The starting point now is 'The customer requires something, what do I have to offer?', which should lead to more relevant offers. This, in turn, results in better uptake, better response, increased campaign returns and less wastage.

Lifestyle marketing solutions use granular level data to detect changes in behaviour and then match the offer to that customer. The key driver of lifestyle marketing is time and relevance: the detection takes place soon after the event and is noted through a change in behaviour; this could be a different type of product bought online or in-store, an update of details logged on a website; increased spend in store; a limit reached or breached on a loyalty card – the number of potential 'triggers' are infinite. The nature of the trigger then decides what offer is made. It is important that a bank of offers are available, with a variety of options to allow the offers to vary based on the customer behaviour. There are examples of lifestyle marketing campaigns that result in many millions of communication options a year. However, each one is targeted and specific to the customer.

## Advantages of right time communications

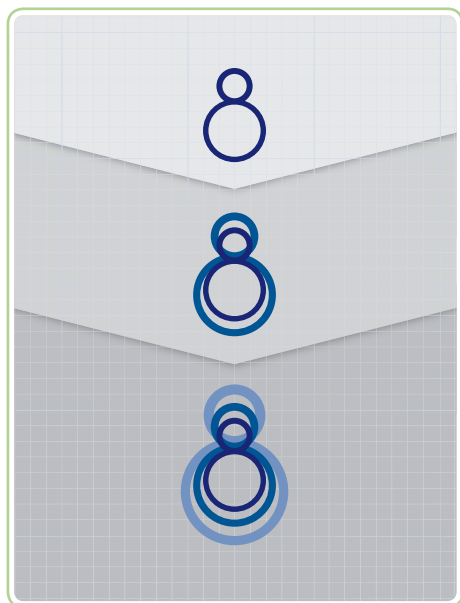
- Increased response rate because
  - a) the offer made is relevant to the customer/prospect at that time and
  - b) the offer made is sent in the right timescale.
- The offer made is dispatched automatically, which drives efficiency.
- Marketers can drive the offer through the appropriate channel, which saves cost
- It's really easy – customers want to tell us what they are doing, we just need to be able to capture it.

Some of these communications won't work but if you don't try, you won't find what does succeed. Having a test-and-learn environment ensures that the solution grows and develops over time.

## Getting the process right

To make the most out of lifestyle marketing, the process needs to be spot on. The first step is to understand the customer by developing insight by interrogating customer information. This allows you to understand customer need and predict products or services that may be of particular relevance to specific individuals at the right time. These prompts are defined and coded into a data store. When a pre-determined event occurs, this code triggers the automatic creation and dispatch of a relevant marketing communication.

What kind of event triggers a company to contact a customer? It could be anything from a purchase, a visit, an anniversary, an update, a tweet or balance enquiry. The event would then prompt the dispatch of an appropriate communication promoting a relevant offer, an up-sell opportunity, or an invitation to increase spend, perhaps – anything to grow our customer relationship.



The response can be as simple or as sophisticated as you like. Depending on the customer's marketing preferences, the contact method can be a phone call, a digitally printed direct mail piece, an email, an SMS to a customer's mobile or the creation of a personalised web page (a PURL), a message – again the options are as varied as the ways in which you can engage your customers.

Remember that content is king – ensure you make your offer compelling and deliver your

message a media appropriate manner. An SMS with lots of Ts&Cs is not interesting!

**Tip: Remember to match responses to communications, as this will ensure that ongoing measurement takes place.**

## How lifestyle marketing works

Lifestyle marketing works by deriving likely events identifiable in complex data – whether offline transactions, online page clicks or trends in social media. People's lives are continually changing, events quickly go out of date and new ones become more relevant, so you need to keep analysing the data. This allows you to create new triggers based on these changing events. As you update transactional data, you can trawl the data, note changes and activate new triggers.

Once the data is ready you need a tool that automatically detects the triggers, matches these triggers to your offers and creates the relevant communications. All that's left now is to choose the delivery platforms. To maximise efficiency, keep as much of the process as possible automated – this, in turn, will ensure the offers arrive at the relevant time.

**Tip: This is not a one-off process. The process of analysis, test and learn, automation and measurement needs to become a continual ongoing cycle**

## Evolution of lifestyle marketing

Lifestyle marketing is not new; indeed many organisations have been running automated campaigns based on events for over 10 years. However, with the arrival of social, email and SMS in the media mix, there are many more delivery methods available for lifestyle marketing. And because marketers can now extract, analyse and react to data changes in real time, or close to real time, offers made can be even more timely and relevant.

## Lifestyle marketing in action

A retail bank customer makes a large deposit into a current account, signalling a bonus payment, redemption of a savings account or even a gift. A lifestyle marketing solution would detect this payment and immediately generate an email to make note of the deposit and point the individual to savings-related pages on a website. In social media, if the customer is a follower the bank could then tweet information of a new savings product for a limited period, or run an advert on facebook or wherever the customer is active.

When they next log into their online banking site, a secure message can offer a specific rate for that person and banners and ads made specific to savings. At the ATM, the screen can make a savings offer while they are waiting to take out some cash.

On the direct mail front, the bank could combine the event (in this case a large deposit) with underlying data on existing product holdings, and generate a mailing with details of existing accounts that this money could be moved into or alternative savings options.

The mailing would also include all of the required paperwork to get the product preauthorised and set up. To make full use of the media mix – both online and offline, the bank would round off the campaign with a follow-up email or phone call to anyone who hadn't responded.

The opportunities for engagement are enormous and generally under-exploited.

Lifestyle marketing campaigns lend themselves to more or less all market sectors. For example, online gaming companies use lifestyle marketing to drive increased spend through online rewards. Recruiters use changes in application data to make offers to potential candidates in real time, while charities can react to online one-off gifts with offers of events or regular giving.

## Value for money

The results of lifestyle marketing are impressive, with some organisations seeing between 50% and 100% uplift in typical campaign response. It also allows companies to deliver additional campaigns with no significant increase in headcount thanks to improved automation, speed of campaign creation and the flexibility of implementation.

Overall, lifestyle marketing can provide a step change in how companies approach customer-centric communications, delivering right time messaging through multiple channels based on time specific transactions.

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## Case study



### With Occam, better customer engagement was always on the cards

Working with RBS to develop its marketing communications strategy has given Occam an unrivalled knowledge and experience of their acquisition and retention challenges. Occam was selected to work with RBS in 2001. Since then, both the number and the complexity of marketing campaigns has increased in a market where customers are more selective and knowledgeable, and have more information than ever to help make financial decisions. This competitive environment has required RBS to change, and to adopt a multi-channel approach for optimal contact, including the functionality to carry out trigger based marketing. This has led to a significant change in strategy and day-to-day working for the Cards Marketing teams.

### What was the challenge we needed to solve?

RBS historically provided Occam with monthly data feeds, and marketing was run monthly and prepared quarterly. This was excellent for large scale communications, but inflexible and had limited scope for reactive event based targeting. RBS needed a solution that could manage a trigger based marketing strategy alongside traditional large scale monthly campaigns.

### How did we go about solving it?

Occam was tasked with developing an in-house solution that would:

- ☑ Change the architecture and business rules to deliver event based capability and increased BAU throughput
- ☑ Overhaul the existing data schema
- ☑ Lights out processing of trigger based campaigns
- ☑ Campaign hierarchy – full recording of contact rules
- ☑ Provide automated response reporting.

Occam's response was an interim database designed to sit between the Faststats campaign management tool that

could house contact history information from all Direct Marketing run by Occam as well as contacts from other sources such as 3rd party partners and inbound call centre contacts. This database is hosted at Occam with web enabled access for RBS.

### What results did we achieve with this solution?

This development provided new capabilities for the Cards Marketing teams allowing event based activity. These include; time on book, significant life events such as marriage, the birth of a child or moving house, transaction events (categories, change in spend) and changes in customer preferences.

These campaigns have provided between 50-100% uplift in typical campaign response, ROI figures are to be confirmed in the near future. There have also been significant improvements in efficiency with additional campaigns delivered with no significant increase in headcount internally or externally.